

UNITED KINGDOM - ECONOMIC SURVEY - SEPTEMBER 2018

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ECONOMIC FORECASTS (CALENDAR YEAR BASIS)

DEADLINE
September 10

**(average % change on previous CALENDAR year)*

	2017	2018	2019
Gross Domestic Product, Chained 2012 Prices*	1.7	1.2	0.8
Household Final Consumption Expenditure, Chained 2012 prices*	1.9	1.0	0.3
Gross Fixed Capital Formation, Chained 2012 prices*	3.4	0.4	0.6
Private Non-Financial Corps Trading Profits (excluding North Sea)*	4.1	5.0	2.0
Manufacturing Production, 2013=100*	2.5	2.0	1.0
Retail Price Index, "underlying (ex-MIPs)" or RPI-X, January 13, 1987=100*	3.8	3.6	4.0
Consumer Prices Index (Previously HICP), 2015 = 100*	2.7	2.5	3.2
Manufacturing Output Prices, 2010=100*	3.4	3.0	3.5
Average Weekly Earnings, Whole Economy, Total Pay*	2.4	2.7	3.2
Unemployment Rate (Labour Force Survey measure)	4.4	4.1	4.3
Current Account, £bn	-79.0	-50	-35.0
	FY17/18	FY18/19	FY19/20
Public Sector Net Borrowing - excl. Financial Interventions (PSNB ex) (fiscal years (April-March), £bn)	39.4	60.0	60.0

INTEREST RATE FORECASTS

	Latest	End Dec '18	End Sep '19
3 month Interbank Interest Rate, %	0.8	0.80	1.0
Yield on Benchmark 10 Year Gilts (1.625%, Oct. 2028), %	1.4	1.7	2.1

EXCHANGE RATES AND OIL PRICES

	Latest	End Oct '18	End Dec '18	End Sep '19	End Sep '20
Japanese Yen/US Dollar	111.0	113.0	113.0	110.0	108.0
US Dollars/Euro	1.163	1.200	1.220	1.240	1.250
US Dollars/UK Pound	1.288	1.270	1.240	1.200	1.250
Canadian Dollars/US Dollar	1.307	1.250	1.230	1.210	1.200
Oil Price, BRENT - US \$/bbl	74.4	na	75.0	70.0	na

MONETARY POLICY EVALUATION

What probability do you attach to a Bank of England repo rate change at the MPC meeting of **November 1, 2018 ? (NOTE: We are NOT asking for your probability of a rate change at the September 13 meeting!)**

And what, if any, CHANGES in rates do you expect? % **OR** %

Where do you estimate the Official Bank rate (currently 0.75%) will be at the end of the next 4 quarters?

	Sep 30, 2018	Dec 31, 2018	Mar 31, 2019	Jun 30, 2019
Official Bank rate:	<input type="text" value="0.75"/> %	<input type="text" value="0.75"/> %	<input type="text" value="0.75"/> %	<input type="text" value="1.0"/> %

SPECIAL QUESTION - Quarterly Forecasts

In addition to the forecasts above, please give quarterly forecasts for the variables listed below for the period given (showing the % change over the SAME QUARTER of the PREVIOUS YEAR).

(all definitions as above)

	1Q,'18	2Q,'18	3Q,'18	4Q,'18	1Q,'19	2Q,'19	3Q,'19	4Q,'19	1Q,'20	2Q,'20
Real GDP*	1.2	1.3	1.2	1.1	1.0	0.8	0.7	0.6	0.4	0.4
Household Consumption*	1.2	1.1	0.9	0.7	0.5	0.2	0.2	0.2	0.0	0.0
Manufacturing Production*	2.5	1.4	1.8	2.3	1.7	1.2	0.5	0.5	0.3	0.3
Underlying Retail Prices* (1)	3.7	3.4	3.5	3.8	3.8	3.9	4.0	4.2	4.0	4.0
Consumer Prices (CPI)*	2.6	2.4	2.5	2.6	3.0	3.2	3.2	3.5	3.4	3.4
3 mth Interbank, %, end qtr	0.7	0.7	0.8	0.9	0.9	1.0	1.2	1.5	1.5	1.5

(1) excludes MIPs i.e. RPI-X

Please comment on your forecasts by adding a message into the body of your e-mail

Annual vs. Quarterly Forecasts Reconciliation

Annual Forecast (Average of 4 Quarters)

	2018	2019
Real GDP*	1.2 (1.2)	0.8 (0.8)
Household Consumption*	1.0 (1.0)	0.3 (0.3)
Manufacturing Production*	2.0 (2.0)	1.0 (1.0)
Underlying Retail Prices* (1)	3.6 (3.6)	4.0 (4.0)
Consumer Prices (CPI)*	2.5 (2.5)	3.2 (3.2)